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ABSTRACT

Evolving federal, state, and local government programs are helping displaced farmers and their families make a transition to nonfarm jobs. To make a successful transition, farm families need personal support, which could include counseling, moral support, help in assessing their financial condition, and legal and technical information to help them adjust to new circumstances and make decisions in selling their farm assets. Displaced farm families need financial bridges--a source of income until they can obtain work in the nonfarm sector. They also need help to find work. Skills assessment, classroom and on-the-job training, and job search and relocation assistance can help them find new work. The main federally funded source of help is the dislocated worker programs authorized by the Job Training Partnership Act (JTPA). Displaced farmers may be eligible for still other JTPA programs. (YLB)

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Assistance to Displaced Farmers

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Many farmers, unable to cope with heavy debts, have had to give up farming in the past few years. More are expected to leave agriculture over the next few years. Evolving Federal, State, and local government programs, some described in this paper, are helping these farmers and their families salvage as much equity and dignity as they can and find other ways to make a living.

The number of farmers now leaving agriculture is small by historical standards: the net decline in number of farmers has averaged less than 40,000 per year since 1980, compared with about 120,000 per year between 1960 and 1980. The reasons farmers and their families leave today differ from their predecessors' reasons. Their personal characteristics also differ. Many farmers in the postwar period, for example, stopped farming because mechanization and lower profit margins made small-scale farming unprofitable and because urban job prospects were bright. By contrast, today's distressed farmers are victims of a dramatic shift in world supply and demand conditions.

About 15 percent of the farm operators in business before 1980 may leave farming for financial reasons before the current adjustment period is over, according to a 1986 Economic Research Service report. Most of them appear better prepared to compete for jobs in the nonfarm sector than farmers displaced in earlier outmovements from agriculture or workers displaced from other industries, such as manufacturing. With the right kind of assistance, many of the displaced farmers can find satisfactory jobs outside of agriculture.

Farm families need help to make a successful transition to nonfarm jobs:

- *Personal support*. Such support could include counseling, moral support, help in assessing their financial condition, and legal and technical information to help them adjust to new circumstances and make decisions in selling their farm assets.

- *Financial bridges*. Displaced farm families need a source of income until they can obtain work in the nonfarm sector.

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- *Help to find work.* Skills assessment, classroom and on-the-job training, and job search and relocation assistance can help them find new work.

Most federally funded programs providing such help for displaced workers have been designed for wage earners, not self-employed persons like farmers. Such programs often are not suited to farmers. However, State and local governments are helping farmers make better use of these Federal programs. By adapting State and local institutions, governments are also creating new programs tailored to farmers' special requirements.

PERSONAL SUPPORT

Leaving the farm causes terrible pain for many farm families, whether the decision is forced by a lender or made voluntarily by the family. Shortage of funds is not the whole problem. Shame, guilt, disbelief, feelings of inadequacy, and a sense of worthlessness often accompany loss of a farm, especially one that has been in the family for generations. These feelings often interfere with the family's ability to cope effectively with a difficult situation.

A host of special programs to help displaced farmers and their families gain self-confidence and obtain information have been established by State and local governments working with community organizations, especially in the Midwest.

Hotlines, support groups, and counseling programs let displaced farm families know that people care, that others are experiencing the same things, and that it is possible to get over them.

Hotlines in many States provide callers a sympathetic ear and information on the legal and financial aspects of foreclosure and liquidation. Trained "peer listeners" from Iowa communities provide families moral support as well as information on financial and legal matters and sources of additional help. The Missouri Cooperative Extension Service operates a similar program using clergy. North Dakota financial analysts, often farmers experienced in credit and finance, work with financially stressed farmers to help them realistically assess their status and identify viable options. Lawyers in Illinois give free legal counsel on farmers' foreclosure and bankruptcy questions.

Farmers often must cope with a large set of problems that no single organization or specialist can effectively handle. Coalitions of a variety of institutions have appeared to deal with such complex problems. Nebraska church groups, educational institutions, advocacy groups, lenders, and attorneys have combined to establish a response network. The North Dakota Extension Service has teamed with the Human Service Centers, the State Mental Health Association, and the State Job Service. And, the Minnesota Extension Service works with the Attorney General's office to maintain a hotline for stressed farm families.

FINANCIAL BRIDGES

Some displaced farmers may need immediate financial assistance—*a financial bridge*--as they make the transition to new jobs. Many who own assets and were self-employed cannot qualify for most Federal income transfer programs. Unlike many displaced industrial workers, farmers get little help of the type usually provided by a union.

Retirement and income maintenance programs are the two types of income transfer programs most likely to be helpful. Farmers have been covered since 1954 by social security, the principal retirement program. Most can receive benefits if they are 62 or older. But most displaced farmers are younger than 60 years.

The Older American's Act can also help elderly people. Its Title V finances part-time jobs, up to 20 hours a week, for people 55 years or older with incomes under 125 percent of the poverty level. The work experience helps people graduate to jobs in the private sector, an increasingly popular use of the program which operates through State agencies for the aging and eight national agencies (including Green Thumb, Inc., the U.S. Forest Service, and the National Center on Black Aged).

Some farm families may qualify for income maintenance programs such as Supplemental Security Income, Aid to Families with Dependent Children, and food stamps because their assets and incomes are under the relatively low program limits. But, displaced farmers, as self-employed workers, do not qualify for unemployment insurance because eligibility is based on previous employment with a covered employer.

HELP TO FIND WORK

There is Federal help, with State and local cooperation, for farmers looking for new jobs. But, just getting an out-of-work farmer through the door of opportunity is tough. Lifelong habits of self-reliance and independence deter many farmers from accepting assistance through traditional Federal employment programs. To make programs more psychologically and physically accessible, many States have set up dislocated workers' programs for farmers in familiar and neutral surroundings, such as at community college campuses or vocational-technical schools.

The main federally funded source of help is the dislocated worker programs (Title III) authorized by the Job Training Partnership Act (JTPA). These programs are developed and administered by State and local institutions. Most of the programs, supported by JTPA block grants, service all eligible dislocated workers—urban or rural, wage earner or self-employed.

Farmers displaced by structural changes in agriculture are eligible for these programs, but not many participate. Those who do participate are often disappointed because the programs are geared to urban industrial workers. Eleven States, most in the Midwest, have reacted by establishing separate programs designed for displaced farmers.

These new programs, supported by the Secretary of Labor's discretionary fund for dislocated workers, can provide basically the same job development services as other dislocated worker programs: skills assessment, classroom and on-the-job training, and job-seeking assistance. However, because dislocated farmers are often long on skills but short on recognizing them and how they can be used outside of farming, the programs emphasize confidence building, assessing skills and interests, and developing job search skills. Personal and career counseling is included. Most States will reimburse employers for providing on-the-job training for 6 months. The reimbursement can be up to half of the wages paid. Stipends are not available to those in classroom training, but funds for tuition and books are available for up to 1 year. Supportive services such as child care, transportation, and counseling are also available.

Reaching displaced farmers is an important element of most of the programs. Organizations linked to the community, such as the Cooperative Extension Service, are often most effective at encouraging farmers to learn about and take advantage of available programs. JTPA funds in Michigan, for example, support 15 people in county extension offices who identify dislocated farmers and refer them for testing, counseling, education, and jobs.

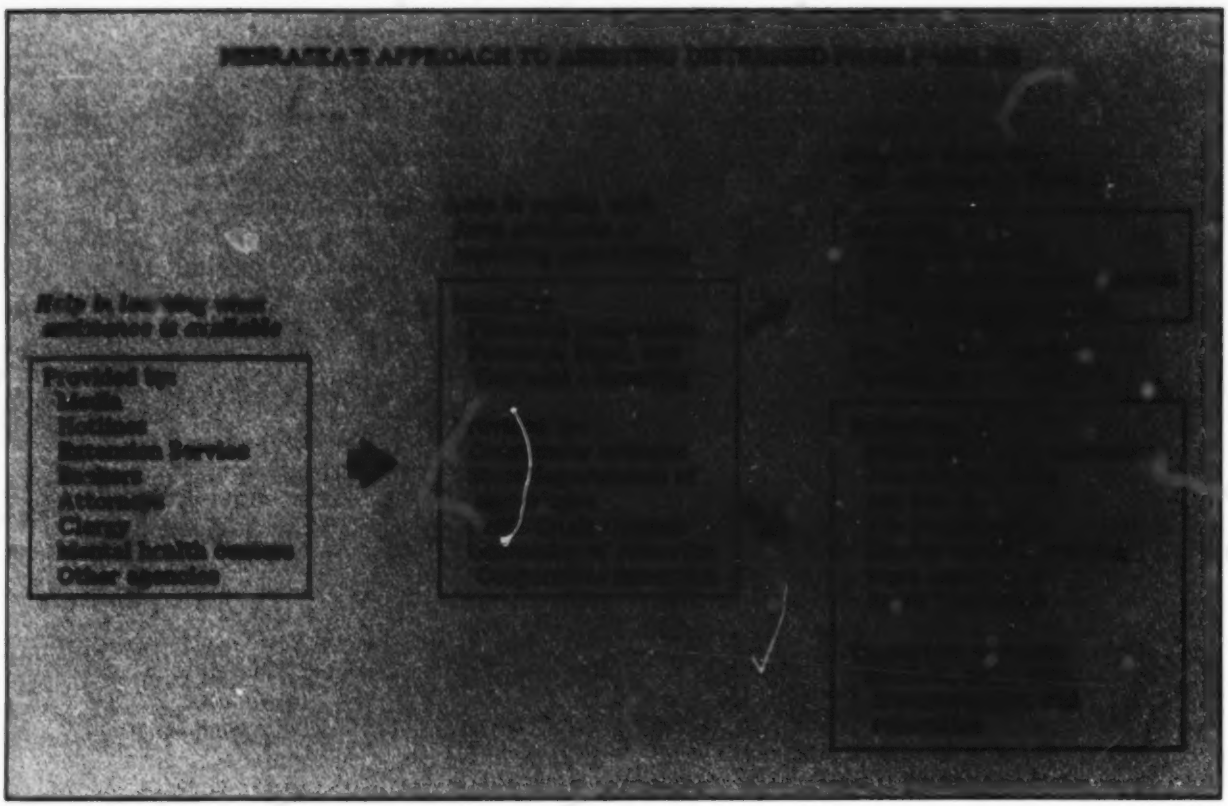
Some bankrupt, foreclosed, or low-income operators still farming may be eligible for assistance under JTPA's programs for the economically disadvantaged (Title IIA). Eligibility is based solely on income. The programs emphasize remedial education and basic skills training, but also can include many of the activities found in the dislocated worker programs. Designed for those with limited skills and work experience, such programs have limited value for displaced farmers.

Nebraska has established a Statewide program open to displaced farmers and agriculture-related workers as well as those under severe financial stress. Supported by the Secretary of Labor's discretionary fund and Title IIA and State funds, the highly coordinated program that taps a wide range of public and private sources is delivered through six Ag Action Centers located at community colleges. Participants

take advantage of a full range of services, including assessments of abilities, interests, and physical tolerance; counseling; entrepreneurial workshops; job placement; and traditional skill training (see figure).

CONCLUSION

The American public has recently become more aware of the problems of dislocated farmers, and a service network tailored to their needs has begun to develop. This service network continues to grow as States and communities find creative ways to draw on the strengths and resources of their institutions. More time will be needed to fine–tune existing programs to the particular needs of displaced farmers. The response so far has been encouraging.



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